

Part II: Smart Growth and Community Development

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Economic Development

San Ramon is committed to maintaining a vibrant and healthy economy, providing land for planned development, ensuring the fiscal and financial health of the City, and working with the private sector to ensure an adequate supply of skilled workers and capital needed to attract and maintain business. How this will be accomplished is addressed in this element of the General Plan.

2.1 SAN RAMON'S ECONOMIC BASE

THE BEGINNINGS

Beginning in the 1970s, Bishop Ranch Business Park was the engine for economic development in San Ramon. Bishop Ranch not only established the City as an employment center, but also, through the kinds of firms it attracted and the kinds of space they occupied, helped determine San Ramon's economic character. The presence of major firms and the attractive physical plant at Bishop Ranch stimulated further business development in San Ramon. Citywide population increases also helped fuel the growth of businesses serving local and subregional needs for retail, service, and public uses.

San Ramon has been a good location for business, and the City has benefited from business growth. By affirming this positive relationship through sound economic planning, the City will strengthen its ability to serve future residents.

YEAR 2000 EMPLOYMENT

The number of jobs in San Ramon increased dramatically in the late 1990s. According to the Association of Bay Area Governments (ABAG), San Ramon businesses employed approximately 38,580 people in 2000, representing a 25-percent increase over San Ramon's 1995 employee total (30,880 people). Among the larger industry groups in the City were services, manufacturing and wholesale trade, including high technology, and retail trade (see Table 2.1-1).

Table 2.1-1: Number of Employees in San Ramon by Industry Group, 1995 and 2000

<i>Industry Group¹</i>	<i>Number of Employees in 1995</i>	<i>Number of Employees in 2000²</i>	<i>% Change 1995-2000</i>
Agriculture, Forestry, Fishing; Mining	260	260	0
Manufacturing and Wholesale Trade	5,460	7,150	31
Retail Trade	4,270	5,220	22
Services	8,940	13,430	50
Other ²	11,950	12,520	5
Total	30,880	38,580	25

¹In the five-sector industry group system used by ABAG, some Standard Industry Classification (SIC) categories have been consolidated.

²As projected by the Association of Bay Area Governments (ABAG).

³Includes Transportation, Communications, and Utilities (TCU), and Finance, Insurance, and Real Estate (FIRE).

Sources: Association of Bay Area Governments (ABAG), Projections 2000; Mundie & Associates, 2001.

CURRENT NON-RESIDENTIAL LAND USE PATTERNS

In general, businesses in San Ramon are large in terms of both amount of occupied space and number of employees. Development at Bishop Ranch Business Park set a precedent for buildings with large floor plates, a pattern that has persisted.

As of August 2000, San Ramon contained about 13 million square feet of non-residential floor area. Major business centers in the City include: (1) the Bishop Ranch Business Park, which contains approximately 6.4 million square feet of office, manufacturing, warehouse, retail, and commercial service businesses; (2) the Crow Canyon Road area, which contains approximately 4.9 million square feet of retail and office space, and includes the earliest commercial development in San Ramon; and (3) southern San Ramon, which contains approximately 787,000 square feet of retail, office, and other commercial space.

Other areas of the City (Bollinger Canyon, Dougherty Hills, Twin Creeks, the west side) contain smaller amounts of non-residential floor area. (See Table 2.1-2.)

FUTURE EMPLOYMENT

Employment growth in San Ramon will allow the City's economic base to expand in tandem with its population. Growth accommodated under the General Plan 2020 would consist of an employment mix that continues the City's strong "office park" character, while accommodating slightly higher proportions of population-serving jobs (in retail, services, and other economic sectors) than the previous General Plan. Table 2.1-3 presents Year 2000 and future employment levels, with ABAG figures organized by industry group and General Plan figures organized by types of employment space.

Year 2000 San Ramon employment (estimated by ABAG as of January 2000 and for the General Plan as of August 2000) is in the vicinity of 40,000. Employment is projected by ABAG to increase to nearly 61,000 by 2020 (an increase of about 58 percent); under the General Plan 2020, employment would rise to 59,000 (an increase of about 42 percent).

Table 2.1-2: Non-Residential Floor Area in San Ramon (August 2000)

<i>Subarea</i>	<i>Non-Residential Floor Area (Sq. Ft.)</i>		
	<i>Retail/ Commercial</i>	<i>Office/Medical/ Industrial/Public</i>	<i>Total</i>
Bishop Ranch	329,200	6,051,365	6,380,565
Bollinger Canyon	0	0	0
Crow Canyon	1,879,330	3,065,125	4,944,455
Dougherty Hills	38,795	409,995	448,790
Dougherty Valley	0	0	0
Southern San Ramon	636,090	150,840	786,930
Tassajara Valley	0	0	0
Twin Creeks	38,825	179,805	218,630
Westside	235,500	0	235,500
TOTAL	3,157,740	9,857,130	13,014,870

Sources: City of San Ramon Planning Services Department; Dyett & Bhatia, 2001.

The City's population growth—San Ramon is expected to have 96,020 residents by 2020 under the General Plan 2020—will help fuel expected employment growth by creating demand for additional retail, service (business, professional, medical, and other), and public-sector uses. Diversity in employment will expand job opportunities for local residents and help to stabilize the local economy.

Table 2.1-3: Number of Employees in San Ramon, Existing and Future

Industry ¹	Number of Employees		Type of Space	Number of Employees	
	2000 (ABAG)	2020 (ABAG)		Existing Conditions	General Plan 2020
Retail Trade	5,220	7,330	Retail	4,965	6,830
Services	13,430	26,450	Service	1,845	2,590
Manufacturing and Wholesale Trade	7,150	8,060	Office ²	33,245	46,850
TCU & FIRE ³	12,520	18,940			0
Agriculture, Forestry, Fishing; Mining	260	190	Other	1,390	2,730
Total	38,580	60,970		41,445	59,000

¹In the five-sector industry group system used by ABAG, some Standard Industry Classification (SIC) categories have been consolidated.

²Includes Light Industrial.

³TCU = Transportation, Communications, and Utilities; FIRE = Finance, Insurance, and Real Estate.

Sources: Association of Bay Area Governments (ABAG), Projections 2000; Mundie & Associates; Dyett & Bhatia, 2001.

2.2 FINDING ROOM TO GROW

THE SUPPLY OF LAND

Supporting economic development means making space available both for existing businesses to expand and for new businesses to come to San Ramon. To ensure an adequate supply of land, the City will need to plan in advance to anticipate business expansion potential and to attract new or added uses to the local economy.

Expanding or relocating firms look for not only a sufficient land supply but also adequate access and infrastructure in an attractive setting. The fact that the business community generally considers San Ramon a “good address” is evidence that the City has been successful in creating this type of environment. The City will maintain that reputation by working to ensure attractive, affordable, and useable building space, an attractive business and residential environment, and a desirable “quality of life.”

FUTURE NON-RESIDENTIAL LAND NEEDS

The land use program of the General Plan 2020 reflects San Ramon’s historic economic evolution. It adjusts the City’s historic economic mix to take into account the types of new jobs the region as a whole attracts, and provides for space to accommodate the kinds of employment suitable to San Ramon both economically and physically. During the time horizon of the General Plan—assuming continuing strong regional growth—it is reasonable to expect absorption of the non-residential development provided for in the General Plan 2020:

- *Office space*, approximately 11.46 million square feet;
- *Retail space*, approximately 3.01 million square feet;
- *Service space*, approximately 1.30 million square feet; and
- *Other employment space*, approximately 2.80 million square feet.

These increases in built space for employment uses would take place on lands not currently in urban use as well as on lands previously developed, but on which (through infill development and development in a new mixed use land use designation) the existing level of urban activity could be increased.

THE RETAIL SECTOR

San Ramon’s shopping areas offer a broad range of standard and value-oriented retail goods that serve the convenience retail needs of San Ramon residents, workers, and businesses. San Ramon can maintain this strength while expanding its retail offerings.

Retail expansion need not mean “more of the same.” Instead, the City can supplement its solid (but conventional) retail base to meet the demand for new and different shopping experiences. Existing and future San Ramon residents and workers are likely to want local, style-oriented shopping opportunities, in a different kind of shopping environment from a regional mall-type center. Meeting this demand will require shopping areas that offer expanded merchandise types and price ranges as well as more varied retail settings and amenities.

Making the retail experience more lively means not only offering an expanded range of merchandise, but also providing a site design and mix of uses that encourage leisurely shopping trips, foot traffic and browsing. Restaurants and cafes are also needed to add a recreational dimension to the shopping experience.

A pedestrian-oriented retail area that has a “downtown feel” would help create this type of environment. The City Center Project is a potential site for a new kind of retail experience in San Ramon.

REDEVELOPMENT NEEDS

In 1986, the City designated two redevelopment project areas:

- *Alcosta Boulevard*. On the south side of Alcosta Boulevard mostly east of I-680.
- *Crow Canyon*. On the north side of Crow Canyon Road east of I-680 and on both sides west of I-680.

The Alcosta redevelopment area—about 30 acres of residential development, an 11-acre shopping center, and a 6-acre neighborhood park—was substantially occupied by 1999.

A redevelopment plan for the Crow Canyon area was adopted in 1991. Infill-oriented policies of this General Plan support the redevelopment strategy for Crow Canyon by providing a mixed-use designation that offers an opportunity to expand and strengthen local businesses while placing housing of higher density ranges within walking distance of retail and services in the area.

TRANSPORTATION LINKAGES

San Ramon enjoys convenient freeway access from Interstate 680 via Crow Canyon Road, Bollinger Canyon Road and Alcosta Boulevard. Freeways and many local streets are increasingly crowded. However, travel times in other parts of the Bay Area have also increased. Traffic congestion is creating longer commutes for San Ramon residents and workers.

Transportation is a key contributor to a healthy economy, providing for access to the labor force, suppliers, and markets. Planning for transportation needs in San Ramon should be part of the region's transportation system.

ECONOMIC DEVELOPMENT SUPPORT FOR BUSINESSES

The City of San Ramon has an important role in encouraging economic development and providing support for businesses. For example, by "streamlining" its design review, permitting, and licensing processes, the City makes the approval process less complicated, costly, and time-consuming for businesses. In addition, through its General Plan, the City determines the amount of space available for new business growth and sets guidelines for land use and development intensity. The City is also responsible for maintaining streets and other infrastructure, and overseeing workforce housing programs and housing development incentives. City actions in these areas can help to create an environment that is attractive for business investment.

GENERAL PLAN-RELATED CAPITAL NEEDS

The City maintains a capital facilities plan that sets priorities for investing City funds in improvements such as streets,

traffic signals, and other public facilities. By designating areas for new development (and redevelopment), the General Plan creates demands for capital facilities that the City will need to address.

Existing and potential General Plan capital funding commitments include securing of open space, implementation of a City Center project, and utility undergrounding.

THE CITY'S FISCAL CONDITION

The City's fiscal condition is determined by its operating revenues and expenditures. Revenue sources include taxes, fees, assessments, rent on City-owned facilities, interest on City investments, and transfers from federal and State agencies. Expenditures include the costs of government operations, police protection, community development, and parks and recreation services. In Fiscal Year 1998-1999 (the most recent year for which actual final figures are available), the City's operating expenditures (from the general fund and some special funds) were \$20,569,947 and its operating revenues were \$27,714,488, indicating a revenue surplus of roughly \$7 million.

The City of San Ramon is currently well positioned financially. The City both takes in more revenue and spends more per resident than the average for all California cities in its size range (populations between 25,001 and 50,000). For example, San Ramon's expenditures per resident on culture and leisure services (expenditures by the Parks and Community Services Department for programs and facility operation relating to parks, recreation, library services, and community activities and events) are relatively high compared to other cities in its size range.

2.3 DISCUSSION OF TRENDS AND CONCERNS

FINANCIAL AND FISCAL SUPPORT FOR ECONOMIC ACTIVITY

The most important contribution San Ramon will make to its future economic development is simply the allocation of land for employment development, as described earlier in the chapter and in greater detail in the chapter on land use.

Beyond that basic commitment, the City's support for economic development can take a variety of forms, some of which are suggested by the programs presented below. The General Plan includes measures to address potential future growth constraints, and emphasizes and reinforces features of the San Ramon setting that contribute to the City's image, preserving the characteristics that make San Ramon a desirable business location.

Both program support and capital support for economic development appear to lie within the City's potential range of actions, as indicated by the General Plan fiscal analysis (discussed below).

FISCAL CONSEQUENCES OF THE GENERAL PLAN

The land use changes called for in the General Plan will inevitably have fiscal consequences for San Ramon. As described above, the General Plan will allow a substantial increase in non-residential building space, and consequently the number of jobs, in the City by the year 2020.

The increase in business activity will boost revenues collected by the City from property taxes, sales and use taxes, hotel

taxes, and other sources. Similarly, the expansion of the population and the residential development that will house new residents will add to the City's revenues. At the same time, the operating costs of City programs and activities will rise, as the City provides services to new as well as existing development, both residential and non-residential.

The fiscal implications of the proposed Land Use Plan, called the "General Plan 2020" for this analysis, have been analyzed in detail in a separate technical background report to this General Plan.

The General Plan fiscal analysis indicates that the fiscal impact of the Land Use Plan is positive. This finding, of course, relies on the premise that future conditions will bear out the assumptions incorporated into the fiscal analysis. A discussion of this point is presented at the conclusion of the fiscal report.

2.4 GUIDING AND IMPLEMENTING POLICIES

GUIDING POLICY

2.4-G-1 Foster a climate in which business can prosper.

IMPLEMENTING POLICIES

2.4-I-1 Work with regional economic development organizations to foster the economic health of the area.

The City is integrally connected to the rest of the Tri-Valley cities. Many issues facing the region affect all communities in it and can be solved only through

regional dialogue and cooperation. Economic development does not have to be a zero sum affair for each city.

- 2.4-I-2 Maintain the Economic Development Advisory Committee to advise the City Council and staff regarding economic development, redevelopment, employment, and housing issues.

The economic life of the City is never static but ever changing. It is important to have citizen-formulated input available to city government on a regular basis.

- 2.4-I-3 Periodically survey the business community for evaluation of City services and improvement suggestions.

To retain the businesses that currently exist and attract new ones, the City needs to “feel the pulse” of the business community. Establishing a regular program to ensure dialogue between the community and the City is essential to ensuring that the City’s policies encourage and stimulate commercial vitality.

- 2.4-I-4 Provide expedited permit review processing for time-sensitive development proposals meeting City goals.

- 2.4-I-5 Encourage, consistent with the Housing Element, housing for San Ramon’s resident workforce to improve the match between local employment and local workers.

The social fabric of the City is strengthened when citizens are able to work near their homes so that the

time otherwise spent commuting can be used for beneficial activities within the community. Encouraging housing that will permit a broad range of workers—particularly providers of essential services—to reside within the City enhances the desirability of the City as a business location.

- 2.4-I-6 Work with private sector entities to identify and implement technologically-advanced infrastructure improvements to enable the City to remain competitive with other localities.

To maintain its deserved reputation as the home of “cutting edge technologies”, the City must be prepared to offer the infrastructure necessary to support such businesses. Ongoing communication with the private sector is needed to keep the City apprised of the technological needs of businesses – both existing and new. This information will enable the City to undertake advance planning to ensure its competitive position.

- 2.4-I-7 Promote San Ramon as a location for business.

Coordinate a City effort to “sell” San Ramon as a business location offering assets that include an educated workforce, competitive development sites, and an active, business-friendly government.

GUIDING POLICY

- 2.4-G-2 Provide adequate land to accommodate planned development, with business and commercial areas complementing residential and public development

in location/access, mix of uses, attractiveness, and environmental quality.

IMPLEMENTING POLICIES

- 2.4-I-8 Consider adjustments to development controls that allow for more efficient use of sites already developed for employment uses (e.g., through height and/or FAR increases in combination with structured parking).
- 2.4-I-9 Work toward redevelopment in the Crow Canyon area to address blight while meeting some of the City’s future needs for non-residential development. Leverage redevelopment and private funds by targeting federal, state, and local resources for use in the Crow Canyon Redevelopment Area.
- 2.4-I-10 Promote, consistent with the Traffic and Circulation Element, mass transportation opportunities into the Bishop Ranch and Crow Canyon/San Ramon Valley Boulevard business areas.
- 2.4-I-11 Encourage non-motorized means of transportation to business areas.
- 2.4-I-12 Encourage retail development in mixed-use areas to create and accommodate local demand.

San Ramon’s tax base is more dependent upon taxes generated by business-to-business sales than is the case in most other communities. By encouraging retail development in mixed-use areas, the City both

broadens and diversifies its tax base and increases the vibrancy of these areas.

- 2.4-I-13 Develop the City Center area into a cultural, recreational, and compatible retail center to ensure consistency with the recommendations of the City Center Task Force. See also Policy 4.7-I-5.

The vision for the City Center must include social, economic, and demographic dimensions, recognizing the pivotal need for a “central place” that can serve as a vital, vibrant gathering place for the full range of ages and social groups in the City.

The needs of both residents and businesses (and their employees) will be best met in a City Center that combines civic, recreational, and commercial activities operating at a level of intensity that invites visitation and participation and communicates excitement. Such a center will draw users and visitors throughout the day and week, in part through revenue-generating businesses that will both contribute to the diversity of uses and provide economic support.

- 2.4-I-14 Use development controls to minimize adverse visual effects of the transportation components of development.

Planning for new development should address the visual aspects of circulation, parking, and loading facilities, using siting, design, landscaping, and (where appropriate) screening to assure that these functional elements do not detract from the physical attractiveness of new development.

- 2.4-I-15 Guide in securing and maintaining open space and park facilities for San Ramon consistent with the ability of the City to finance acquisition and to defray ongoing costs of public operation and use of those facilities at the appropriate levels of intensity.

The City's natural environment and recreational opportunities are part of its set of "capital assets" vital to retaining existing, and attracting new, businesses to the community. The City—consistent with prudent fiscal management—should seek ways, including cooperation with private entities and obtaining government funding wherever reasonable, to acquire rights ensuring that significant open space and parks are available for existing and future residents.

GUIDING POLICY

- 2.4-G-3 Ensure the fiscal and financial health of the City.

IMPLEMENTING POLICIES

- 2.4-I-16 Evaluate the ability of new development to pay for its infrastructure, its share of public and community facilities, and the incremental operating costs it imposes.
- 2.4-I-17 Existing City development review practices assure that new development provides for the capital facilities needed to serve it. Ongoing maintenance of those facilities – generally via infrastructure landscaping and lighting districts – is also typically provided for. While the defraying of such costs by new development would normally be expected,

some projects may contribute to the community in ways that compensate for a negative fiscal impact.

- 2.4-I-18 Seek to maintain an operating reserve of not less than 50 percent of projected operating expenses for the following fiscal year to assure that sufficient financial resources will be available in the event of sudden economic dislocations or general economic slowdowns.

Demands on the City's resources can come from a variety of sources, routine and emergency, ongoing and one-time. Responses to funding requests should be anchored in a clear understanding of the purposes that City spending is intended to serve and disciplined by prudent financial management. Maintenance of an operating reserve contributes to fiscal discipline.

- 2.4-I-19 Encourage diverse economic growth within the City, particularly in the retail sector.

San Ramon's per capita revenues from non-store sales and use tax (business-to-business and other non-retail transactions) are very strong; its per capita revenues from store-based sales could be stronger than they are. Retail appeal is an economic asset in several ways, contributing jobs and income as well as public revenues. A vibrant retail area confers a sense of place that strengthens community image and encourages residents to shop, dine, and pursue leisure activities locally.

- 2.4-I-20 Assure adequate revenue sources to finance City capital and program initiatives.

Examples of initiatives potentially requiring capital outlays are open space acquisition, development of City Center public facilities, and provision of other kinds of community infrastructure (e.g., underground utility placement). Provision of assisted housing may also involve capital costs. Ongoing costs of administering newly established programs (e.g., a teen center) and/or providing services in conjunction with expanded activity (expansion of City-maintained public open space) will require increased operating costs and, potentially, augmentation of existing sources of operating revenues. Enlargement of the City's responsibilities, whether in capital or operating realm, should occur only when decision makers are satisfied that a range of adequate financing options is available.

- 2.4-I-21 Assure that ongoing budgets provide for adequate maintenance of the City's capital facilities, and establish fees commensurate with services rendered (e.g. application processing fees, planning, building and safety and engineering) to recover costs of these services.

GUIDING POLICY

- 2.4-G-4 Work with the private sector to assure an adequate supply of skilled workers and capital needed to attract and maintain business in San Ramon.

IMPLEMENTING POLICIES

- 2.4-I-22 Encourage local educational institutions to establish education and continuing education programs to

meet the existing and foreseeable needs of local employers.

Use network of contacts with local businesses (see Implementing Policy 2.4-I-3) to identify the types of industries and occupations most in demand and/or least available in the local workforce. Work with local campuses of Diablo Valley College, Golden Gate University, and University of San Francisco to identify local educational resources applicable to labor force needs of emerging industries (e.g., telecom, optics, other) in relevant occupational specialties. Support regional efforts (such as through the Tri-Valley Business Council) to disseminate information on education and training programs to enhance workforce availability and "fit."

- 2.4-I-23 Support location of a four-year college within the Tri-Valley.

Establishment of a four-year degree-granting college in the Tri-Valley would expand the range of educational resources available locally. The presence of a college within the area would be a factor in attracting and retaining employees. Other benefits to business relate to availability of academic and technical training, internships and similar joint business/education programs, and research in subject areas with local business applications.

- 2.4-I-24 Maintain the City's Capital Improvement Program.

Change can be expected in the overall regional and national economies as well as in the way California organizes and implements local government financing

and fiscal structure. San Ramon's capital facilities financing and programming should continue to be structured in a way that allows decisionmakers flexibility, so that choices in how to defray the costs of a capital or operating expenditure reflect financing and fiscal conditions at the time a particular project or program goes forward.